

BUDGET WEEK

Committee on the Budget • Majority Caucus U.S. House of Representatives Jim Nussle, *Chairman* 309 Cannon House Office Building Washington, DC 20515 • (202) 226-7270 Rich Meade, *Chief of Staff* • <u>www.budget.house.gov</u>

olume 3, Number 22

Summarizing budgetary issues in legislation scheduled for the House floor

8 September 2003

Week of 8 September 2003

SUSPENSION CALENDAR

1) To Restore the Operation of the Native American Veteran Housing Loan Program During Fiscal Year 2003 to the Scope of That Program as in Effect on September 30, 2002 (H.R. 2595).



This bill repeals a \$5-million limitation on direct loans made by the Department of Veterans Affairs [VA] to Native American veterans in 2003. By enabling the VA to make more loans – which bring in offsetting collections, classified as offsets to spending – the bill reduces spending by about \$1 million in 2003.

- 2) Health Care for Veterans of Project 112/Project SHAD Act of 2003 (H.R. 2433). This bill expands eligibility to VA health care for veterans who participated in chemical and biological warfare tests while on active duty. H.R. 2433 would increase discretionary spending budget authority subject to annual appropriations by \$1 million in fiscal year 2004, and by \$8 million over 5 years. The bill neither increases direct spending spending not subject to appropriations nor reduces revenue.
- 3) Congratulating Rafael Palmeiro of the Texas Rangers for Hitting 500 Major League Home Runs and Thanking Him for Being a Role Model for the Cuban American Community, as Well as for All Americans (H.Res. 315). This resolution has no budget implications.



4) Commending the Clemson University Tigers Men's Golf Team for Winning the 2003 National Collegiate Athletic Association Division I Men's Golf Championship (H.Res. 266). This resolution has no budget implications.



LEGISLATION CONSIDERED UNDER A RULE

Bill: District of Columbia Appropriations Act for Fiscal Year 2004 (H.R. 2765).



Committee: Appropriations

Summary: This bill provides appropriations for the District of Columbia for fiscal year 2004. The bill,

as reported, provides \$17 million for a college tuition assistance plan, \$15 million for security planning, and \$163.1 million for court services and offender supervision. It also

(continued on reverse side)

PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to address support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. Also note: Floor schedules and legislative details are subject to change after publication.

This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and therefore may not reflect the views of all the committee's members.

provides \$10 million in special Federal payments for a school choice program designed to provide financial assistance to families of District school-age students attending private and parochial schools.

Cost:

Cost:

H.R. 2765 provides \$466 million in new budget authority for 2004 – a decrease of \$43 million in budget authority from fiscal year 2003. Although budget authority in the bill declines by 8.4 percent from fiscal year 2003, it is \$45 million above the President's request.

Budget Act:

This bill provides new budget authority equal to the 302(b) suballocation for the District of Columbia subcommittee. The bill is consistent with the House budget resolution for fiscal year 2004 (H.Con.Res. 95) and also complies with the requirements of the Congressional Budget Act. The bill does not contain emergency-designated new budget authority, advance appropriations, or rescissions of previously enacted budget authority. See the Appropriations Update for the District of Columbia Subcommittee Appropriations Bill for Fiscal Year 2004 – H.R. 2765 at www.house.gov/budget/ for additional information on this measure.

Bill: Transportation, Treasury, and Independent Agencies Appropriations

Act For Fiscal Year 2004 (H.R. 2989)

Committee: Appropriations

Summary: This bill is the first that Congress will consider on the floor that includes, in a single

measure, appropriations for the Department of Transportation, the Department of the Treasury, the United States Postal Service, the Executive Office of the President, and Related Agencies, as well as general government appropriations, as a single regular appropriations bill. Before this year, separate regular appropriations bills provided funding for the Department of Transportation and the Department of the Treasury. These appropriations bills were realigned after creation of a separate appropriations subcommittee for homeland security, which includes the Transportation Security

Administration.

The bill, as reported, provided \$27.501 billion in discretionary budget authority, and

reflects a reduction of \$758 million from 2003.

As reported, the bill was \$1 million below the subcommittee's 302(b) allocation. During floor debate last week, however, several points of order were sustained, causing a substantial net increase in the cost of the bill.

Those points of order caused those parts of the bill to be automatically excised. Some caused budget authority to be increased, others caused it to be decreased; but the net effect increased the cost of the bill to \$27.685 billion, exceeding the suballocation to the Transportation/Treasury Subcommittee by \$183 million. The points of order caused funding to be reduced for the Essential Air Service, Grants in Aid for Airports, and elements of the Border Enforcement Program. A point of order was sustained against a rescission of \$137 million of unobligated balances in a variety of programs – such as the Congestion Mitigation and Air Quality Improvement Program, and the Interstate Maintenance Program – causing spending to be increased by that much. Points of order also were raised against two provisions related to the Alameda Corridor Transportation Authority, causing budget authority to be increased by \$157 million.

Budget authority for certain highway and transit programs – principally the Federal-aid highways program – are classified as mandatory, while the outlays are classified as

(continued on next page)

Budget Week Page 2

discretionary. The spending from the mandatory budget authority typically is constrained by obligation limitations. This bill contains limitations totaling \$39.916 billion, of which \$33.385 billion is for the Federal-aid highways program, and \$5.807 billion is for transit formula grants. The \$39.916 billion total is \$232 million above the amount envisioned by the budget resolution; there is no procedural prohibition, however, for exceeding the limit anticipated by the resolution.

Budget Act:

As noted above, H.R. 2989, as reported, provided new budget authority at a level that was \$1 million under the 302(b) suballocation for the Subcommittee on Transportation, Treasury and Independent Agencies. Because of the points of order raised on the floor, though, it now breaches that level by \$183 million, violating section 302(f) of the Budget Act. That point of order, however, only lies against the bill's initial consideration and may no longer be raised against it. Though this is the case, the bill is no longer consistent with the House budget resolution for fiscal year 2004 (H.Con.Res. 95).

The bill does not contain emergency-designated new budget authority. It does include a \$37-million advance appropriation for the Postal Service, which was requested by the administration. The budget resolution limited advance appropriations to a specified list of programs and an overall amount of \$23.158 billion. This appropriation is included in the list of allowable advance appropriations and it does not cause the overall limit to be exceeded.

Bill: Fair and Accurate Credit Transactions Act of 2003 (H.R. 2622).

Committee:

Financial Services

Summary:

This bill permanently extends the Fair Credit Reporting Act [FCRA] – which otherwise would expire on 1 January 2004 – and provides new consumer protections against fraud committed using another person's identity, commonly called "identity theft." The bill also gives consumers access to certain financial records, provides for the accuracy of credit reports, and creates protections for consumers' medical information.

FCRA was amended in 1996 to create a uniform national standard for consumer protections governing credit transactions. The act also prevents States from imposing new restrictions on how financial institutions share consumer information.

Cost:

The bill would cause discretionary spending to rise, assuming appropriations of these amounts, by \$7 million over 5 years. It may cause a small increase in direct spending and reduction in revenue through a small additional workload for the Federal Deposit Insurance Corporation [FDIC] and the Federal Reserve. This occurs because FDIC administrative costs are funded through a mandatory authorization; and the increased workload might not be large enough to require higher premium rates that could help to offset it. In addition, the additional workload might cause Federal Reserve profits to be slightly less; and because these profits are turned over to the U.S. Treasury, as revenue, at the end of each fiscal year, a small reduction in revenue could occur.

The cumulative effect, however, is likely to be in the magnitude of several hundred thousand dollars over 5 years.

Budget Act:

Though the bill is largely a regulatory reform measure, the indirect effects on the Federal Reserve will cause revenue to be less, but not by more than the appropriate level in fiscal year 2004 or over 5 years. Yet the small breach in the Financial Services allocation will cause it to be inconsistent with section 302(f) of the Budget Act, which prohibits any increase, even nominal, in a committee's allocation.

Prepared by .	 The Committee on the Budget
Budget Week	 Page 3